

CITY COUNCIL REGULAR SESSION

Motion to award Bid No. 21000, 124th Avenue NE – NE 12th Street to NE Spring Boulevard (CIP Plan No. PW-R-169) to Interwest Construction, Inc. as the lowest responsible and responsive bidder, in the amount of \$8,701,145.81, plus all applicable taxes.

Andrew Singelakis, Director, 452-6468
Ron Kessack, Assistant Director, 452-4631
Mike Mattar, Design Division Manager, 452-4318
Marina Arakelyan, Senior Project Manager, 452-4362
Transportation Department

EXECUTIVE SUMMARY

This Motion will award Bid No. 21000 to Interwest Construction, Inc. for constructing the second phase of the 124th corridor, 124th Avenue NE – NE 12th Street to NE Spring Boulevard.

RECOMMENDATION

Move to award Bid No. 21000, 124th Avenue NE – NE 12th Street to NE Spring Boulevard (CIP Plan No. PW-R-169), to Interwest Construction, Inc..

BACKGROUND/ANALYSIS

The 124th Avenue NE corridor improvements, from NE 12th Street to Northup Way, are part of the broad BelRed Plan and Transportation vision of supporting planned growth and economic vitality, improving access and circulation, and capturing synergistic opportunities with Sound Transit's East Link Project.

The corridor improvements are being implemented in phases. The first phase between NE Spring Boulevard and Ichigo Way was completed in spring of 2021. This segment between NE 12th Street and NE Spring Boulevard is the second phase. The new roadway cross section will consist of five lanes, with two travel lanes in each direction and turn pockets or a center turn lane, separated multi-use pathway on both sides, retaining walls, illumination, traffic signal modification, landscaping, irrigation, storm drainage, and water quality treatment.

This project also includes the installation of a Joint Utility Trench (JUT) for the franchise utilities. The Schedule 74 Underground Conversation project construction agreement with Puget Sound Energy (PSE) was approved by Council on June 6, 2020 (Resolution No. 4759) and a Reimbursement Agreement with PSE for relocation of the switch vault was approved by Council on January 11, 2020 (Resolution No. 9867). The JUT for franchise utilities includes reimbursement agreements with Century Link, Verizon, PSE gas and Comcast for the relocation and addition of utility infrastructure.

This project was funded for full implementation as part of the 2021-2027 Capital Investment Program (CIP) budget, adopted by Council on December 14, 2020.

The following bid submittals were received for this project:

1. Interwest Construction, Inc	\$ 8,701,145.81
2. Pivetta Brothers Construction	\$ 8,967,714.51
3. Active Construction, Inc.	\$ 9,167,167.00
4. Granite Construction Company	\$10,425,987.18
5. C.A. Carey Corporation	\$11,663,166.69
Engineer's Estimate	\$ 8,221,853.93

To the best of our knowledge and professional judgment, all factors that normally contribute to construction expenses have been accounted for in the PS&E. The lowest bid amount is 6 percent over the engineers estimate. The number of bidders, and the consistency of bid range, indicates a very competitive bidding environment. The high bid prices reflects rapidly increasing construction costs, due to the impacts of COVID and supply chain shortages. Based on staff's experience, projects of this type may result in some field changes. All claims are rigorously reviewed and only those that are clearly necessary to accomplish the intent of the contract, but have somehow not been provided for, will be paid.

POLICY & FISCAL IMPACTS

Policy Impact

Comprehensive Plan

Overall: S-BR-4: Developing and implementing a phased approach so that transportation, open space, and other infrastructure is in place or committed to serve the needs of growth.

Utilities: The Utility shall invest resources as necessary to construct, maintain and renew water system infrastructure and equipment such that Utility customers are provided consistent, reliable service.

Implementation: S-BR-78: Implementing the BelRed Plan through capital investments and other public and private strategies.

Fiscal Impact

This is one of two items scheduled for Council action tonight for the 124th Avenue NE – NE 12th Street to NE Spring Boulevard Project (CIP Plan No. PW-R-169). The other item is a Resolution to execute a Professional Engineering Services Agreement with HDR Engineering, Inc. to provide engineering support services during construction.

Awarding this bid will obligate the City to \$8,701,145.81, plus all applicable taxes, to construct the second phase of the 124th Avenue NE Roadway Improvements – NE 12th Street to NE Spring Boulevard. This amount is approximately 6 percent over the Engineer's Estimate. Sufficient funding exists in the 2021-2027 CIP (CIP Plan No. PW-R-169) to fully fund this contract.

The following table provides the project financial status for PW-R-169:

(\$000)

	Current Budget	Life-to-Date Expenditures	Total Projected Expenditures	Projected Balance	<i>This Action</i>	Actual / Projected Completion Date
Phase I (Design)	\$2,574	\$2,367	\$2,564	\$10	<i>\$0</i>	Q1-2021
Phase II (Right-of-Way)	7,249	2,407	6,089	1,160	<i>0</i>	Q3-2021
Phase III (Construction)	11,484	881	12,654	(1,170)	<i>8,701</i>	Q1-2023
Total	\$21,307	\$5,655	\$21,307	\$0	<i>\$8,701</i>	

The total projected project cost of \$21,307,000 (including this action) assumes full expenditure of project contingencies. Reporting the contingencies in this manner illustrates the City's potential ultimate financial exposure on this project.

OPTIONS

1. Award Bid No. 21000, 124th Avenue NE – NE 12th Street to NE Spring Blvd (CIP Plan No. PW-R-169) to Interwest Construction, Inc. , as the lowest responsible and responsive bidder, in the amount of \$8,701,145.81, plus all applicable taxes.
2. Award the bid to the next lowest bidder if the low bidder is not responsive.
3. Reject all bids and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
- B. CIP Project Description (PW-R-169)

AVAILABLE IN COUNCIL LIBRARY

Conformed Specifications (Volume 1 and 2)
Conformed Plans